
SUBSTITUTE HOUSE BILL 1404

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Honeyford, Robertson, Ballasiotes, Conway, Wood, Cole, Boldt and Delvin)

Read first time 02/24/97.

1 AN ACT Relating to punch boards and pull-tabs; and amending RCW
2 9.46.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.110 and 1994 c 301 s 2 are each amended to read
5 as follows:

6 (1) The legislative authority of any county, city-county, city, or
7 town, by local law and ordinance, and in accordance with the provisions
8 of this chapter and rules (~~and regulations promulgated hereunder~~)
9 adopted under this chapter, may provide for the taxing of any gambling
10 activity authorized by this chapter within its jurisdiction, the tax
11 receipts to go to the county, city-county, city, or town so taxing the
12 (~~same: PROVIDED, That~~) activity. Any such tax imposed by a county
13 alone shall not apply to any gambling activity within a city or town
14 located (~~therein~~) in the county but the tax rate established by a
15 county, if any, shall constitute the tax rate throughout the
16 unincorporated areas of such county(~~: PROVIDED FURTHER, That (1)~~
17 punch boards and pull-tabs, chances on which shall)).

18 (2) The operation of punch boards and pull-tabs are subject to the
19 following conditions:

1 (a) Chances may only be sold to adults~~((, which shall have a fifty~~
2 ~~cent limit on a single chance thereon, shall be taxed on a basis which~~
3 ~~shall reflect only the gross receipts from such punch boards and pull-~~
4 ~~tabs; and (2)))~~;

5 (b) The price of a single chance may not exceed one dollar;

6 (c) No punch board or pull-tab license may award as a prize upon a
7 winning number or symbol being drawn the opportunity of taking a chance
8 upon any other punch board or pull-tab; ((and (3)))

9 (d) All prizes ((for punch boards and pull-tabs)) available to be
10 won must be described on an information flare. All merchandise prizes
11 must be on display within the immediate area of the premises
12 ((wherein)) in which any such punch board or pull-tab is located
13 ((and)). Upon a winning number or symbol being drawn, ((such)) a
14 merchandise prize must be immediately removed ((therefrom)) from the
15 display and awarded to the winner. All references to cash or
16 merchandise prizes, with a value over twenty dollars, must be removed
17 immediately from the information flare when won, or such omission shall
18 be deemed a fraud for the purposes of this chapter; and ((+4))

19 (e) When any person ((shall win over twenty dollars in)) wins money
20 or merchandise from any punch board or pull-tab over an amount
21 determined by the commission, every licensee ((hereunder)) shall keep
22 a public record ((thereof)) of the award for at least ninety days
23 ((thereafter)) containing such information as the commission shall deem
24 necessary((:—AND PROVIDED FURTHER, That)).

25 (3)(a) Taxation of bingo and raffles shall never be in an amount
26 greater than ten percent of the gross ((revenue received therefrom))
27 receipts from a bingo game or raffle less the amount ((paid for or))
28 awarded as cash or merchandise prizes.

29 (b) Taxation of amusement games shall only be in an amount
30 sufficient to pay the actual costs of enforcement of the provisions of
31 this chapter by the county, city or town law enforcement agency and in
32 no event shall such taxation exceed two percent of the gross ((revenue
33 therefrom)) receipts from the amusement game less the amount ((paid
34 for)) awarded as prizes((:—PROVIDED FURTHER, That)).

35 (c) No tax shall be imposed under the authority of this chapter on
36 bingo or amusement games when such activities or any combination
37 thereof are conducted by any bona fide charitable or nonprofit
38 organization as defined in this chapter, which organization has no paid
39 operating or management personnel and has gross ((income)) receipts

1 from bingo or amusement games, or a combination thereof, not exceeding
2 five thousand dollars per year, less the amount (~~paid for~~) awarded as
3 cash or merchandise prizes.

4 (d) No tax shall be imposed on the first ten thousand dollars of
5 (~~net proceeds~~) gross receipts less the amount awarded as cash or
6 merchandise prizes from raffles conducted by any bona fide charitable
7 or nonprofit organization as defined in this chapter.

8 (e) Taxation of punch boards and pull-tabs is based on gross
9 receipts from the operation of the games less the amount awarded as
10 cash or merchandise prizes, and shall not exceed (~~five~~) a rate of ten
11 percent (~~of gross receipts, nor shall~~) for bona fide charitable or
12 nonprofit organizations, nor ten percent for commercial stimulant
13 operators.

14 (f) Taxation of social card games may not exceed twenty percent of
15 the gross revenue from such games.

16 (4) Taxes imposed under this chapter become a lien upon personal
17 and real property used in the gambling activity in the same manner as
18 provided for under RCW 84.60.010. The lien shall attach on the date
19 the tax becomes due and shall relate back and have priority against
20 real and personal property to the same extent as ad valorem taxes.

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